



March 21, 2007

H.R. 1284 - Veterans' Compensation Cost-of-Living Adjustment Act of 2007

Floor Situation

H.R. 1284 is being considered on the floor under suspension of the rules and will require a two-thirds majority vote for passage. This legislation was introduced by Representative John Hall (D-NY) on March 1, 2007. The bill was reported by the House Committee on Veterans' Affairs by voice vote on March 15, 2007.

H.R. 1284 is expected to be considered on the floor on March 21, 2007.

**Note: In the 109th Congress, Sen. Larry Craig (R-ID) introduced identical legislation, S. 2562, on April 6, 2006, which passed the House by voice vote on September 30, 2006, and was signed into law by the President on October 16, 2006.*

Rep. Jeff Miller (R-FL) introduced similar legislation, H.R. 4843, which passed in the House by a vote of 408-0, on June 27, 2006. H.R. 4843 included provisions including additional compensation for spouses of veterans who die of service-connected causes with children that are minors that was not included in S. 2562.

Summary

H.R. 1284 increases the payments, to account for increases in the cost of living, to disabled veterans, their families, and their dependants in the following areas:

- Wartime disability compensation
- Compensation to surviving spouses and children of veterans who die of service-connected causes
- Additional compensation for dependants
- Clothing allowance

The increases are set to take effect on December 1, 2007. The payments are increased by the same percentage that is provided for the cost of living adjustment (COLA) of benefits under the Social Security Act.

Background

Congress has provided annual increases in the payments to disabled veterans and their families for every fiscal year since 1976.

The veterans' disability compensation program is designed to provide compensation for the loss in financial support that veterans, their families, and dependants suffer as result of disabilities incurred or aggravated by military service.

Surviving spouses and children of veterans who died of disabilities determined by the Department of Veterans Affairs to be service-connected (including veterans who died while on active duty) are in many cases entitled to receive monthly benefits. The monthly benefits are intended to provide partial compensation to the appropriate survivors for the loss of financial support due to the service-connected death. Income and need are not factors in determining a surviving spouse's or child's entitlement because the Nation in part assumes the legal and moral obligation of the veteran to support the spouse and children.

Cost

The Congressional Budget Office (CBO) estimates that H.R. 1284 would have no budgetary effect relative to the CBO baseline. The cost of living adjustment (COLA) in H.R. 1284 is assumed in CBO's baseline pursuant to section 257 of the Balanced Budget and Emergency Deficit Control Act.

CBO estimates that enacting this bill would increase spending for those programs by \$373 million in 2008, with an annual cost of about \$500 million in subsequent years. This estimate assumes that the COLA effective on December 1, 2007 will be 1.5 percent.

Staff Contact

For questions or further information contact Matt Lakin at (202) 226-2302.